

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **February 24, 2004, Work Session**

AGENDA ITEM NO.: B

CONSENT:

REGULAR: **Written Report Only**

CLOSED SESSION:

(Confidential)

ACTION:

INFORMATION: **X**

ITEM TITLE: Community Development Block Grant (CDBG) and HOME Program Status Report and Department of Housing and Urban Development (HUD) Fiscal Year (FY) 2002 Consolidated Plan Annual Assessment

RECOMMENDATION: None

SUMMARY: The attached Status Report provides the remaining balances of all active CDBG and HOME projects along with a brief narrative regarding the current status of the projects and the planned expenditures of the available funds.

The attached letter from HUD is the annual assessment of the City's overall performance during the FY 2002 Consolidated Plan program year (July 1, 2002 through June 30, 2003) for the CDBG and HOME Programs. It includes the areas of progress, accomplishments, beneficiaries, and compliance with statutory, regulatory, and policy requirements.

A summary of the assessment indicates the following accomplishments:

- the number of completed projects exceeded the annual goals for the categories of projects;
- the income and demographics of the beneficiaries in the areas of affordable housing and poverty were more clearly stated for the public;
- the financial summary indicated that all funds were being expended as approved by HUD;
- the efforts to affirmatively further fair housing were approved;
- the contracts were executed and returned to the City for the Section 108 Loan Guarantee and the Economic Development Initiative Grant; and
- the overall timely expenditure of funds, activities completed and management of the HOME program was acceptable.

HUD staff indicated that the City's performance report described very well how the program funds were expended and what was accomplished during the program year. The overall progress and performance in the administration of the HUD-assisted programs is satisfactory and this assessment is considered final for Fiscal Year 2002.

PRIOR ACTION(S): N/A

FISCAL IMPACT: N/A

CONTACT(S): Rachel Flynn – 455-3902
Melva Walker – 455-3916

ATTACHMENT(S): 1. Active Project Status Report – As of January 31, 2004
2. HOME CHDO Project Status Letter - Lynchburg Community Action Group (Lyn-CAG)
3. HUD FY 2002 Annual Assessment Letter

REVIEWED BY: lkp

ATTACHMENT 1

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTIVE PROJECT STATUS REPORT SUMMARY
AS OF JANUARY 31, 2004

1993-94

Project: Business Development Centre
Revolving Loan Program
Funding: \$45,000
Loans to date: \$95,250 (15 loans)
Funds Remaining for New Loans: \$24,631
Page: 1

1999-2000

Project: Neighborhood Initiatives (City)
Funding: \$186,000
Funds Remaining: \$1,225
Page: 1

Project: Repair Assistance for HD (LHF)
Funding: \$5,000
Funds Remaining: \$4,091
Page: 2

Project: Fifth St. Econ. Dev. (City)
Funding: \$50,000
Funds Remaining: \$18,494
Page: 2

2000-2001

Project: Repair Assistance for HD (LHF)
Funding: \$5,000
Funds Remaining: \$5,000
Page: 2

Project: College Hill Acq. Prog. (LRHA)
Funding: \$102,764
Funds Remaining: \$9,605
Page: 3

2001-2002

Project: Program Administration (City)
Funding: \$67,000
Funds Remaining: \$22,894
Page: 3

Project: Neighborhood Initiatives (City)
Funding: \$203,390
Funds Remaining: \$12,548
Page: 3

Project: College Hill Acq. Prog. (LRHA)
Funding: \$76,392
Funds Remaining: \$55,813
Page: 4

Project: Spot Blight/Abatement (LRHA)
Funding: \$147,880
Funds Remaining: \$71,996
Page: 4

Project: Hill City Future Star Sports Program
(City)
Funding: \$5,490
Funds Remaining: \$3,549
Page: 5

Project: Rush Lifetime Homes of CVA
Funding: \$5,000
Funds Remaining: \$2,973
Page: 5

Project: Contingency Funds
Funding: \$91,531
Funds Remaining: \$42,333
Page: 5

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTIVE PROJECT STATUS REPORT SUMMARY
AS OF JANUARY 31, 2004

2002-2003

Project: Program Administration (City)
Funding: \$62,000
Funds Remaining: \$50,000
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Project: Maintenance of Properties/
Disposition (LRHA)
Funding: \$33,600
Funds Remaining: \$462
Page: 6

Project: Neighborhood Initiatives (City)
Funding: \$182,000
Funds Remaining: \$67,052
Page: 6

Project: College Hill Acq. Prog. (LRHA)
Funding: \$85,090
Funds Remaining: \$77,543
Page: 6

Project: Legacy Museum of African American
History (The Legacy Project, Inc.)
Funding: \$20,500
Funds Remaining: \$4,865
Page: 7

Project: Spot Blight/Abatement (LRHA)
Funding: \$150,000
Funds Remaining: \$150,000
Page: 7

Project: Housing Stabilization Program (City)
Funding: \$79,500
Funds Remaining: \$60,430
Page: 7

Project: YWCA Town Center (YWCA)
Funding: \$6,000
Funds Remaining: \$6,000
Page: 8

Project: Rush Lifetime Homes of CVA
Funding: \$9,000
Funds Remaining: \$9,000
Page: 8

Project: Lead Paint/Fifth Street
Funding: \$40,402
Funds Remaining: \$18,166
Page: 8

Project: Bedford Bldg. Renovations (ARC of
CVA)
Funding: \$30,000
Funds Remaining: \$29,112
Page: 8

Project: Fellowship Community Outreach Ctr.
Funding: \$20,177
Funds Remaining: \$18,478
Page: 9

Project: Bethune Nursery School Bldg. Renov.
Funding: \$57,938
Funds Remaining: \$6,427
Page: 9

Project: Contingency Funds
Funding: \$25,000
Funds Remaining: \$25,000
Page: 9

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTIVE PROJECT STATUS REPORT SUMMARY
AS OF JANUARY 31, 2004

2003-2004

Project: Program Administration (City)
Funding: \$60,000
Funds Remaining: \$53,314
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Project: Legacy Museum (The Legacy Project)
Funding: \$11,448
Funds Remaining: \$11,448
Page: 12

Project: Delivery Costs/Administration (LRHA)
Funding: \$130,529
Funds Remaining: \$129,978
Page: 10

Project: Spot Blight/Abatement (LRHA)
Funding: \$160,475
Funds Remaining: \$160,475
Page: 12

Project: Maintenance of Properties (LRHA)
Funding: \$51,510
Funds Remaining: \$33,880
Page: 10

Project: Ways to Work Program (Alliance for Families and Children of CVA)
Funding: \$25,440
Funds Remaining: \$12,908
Page: 12

Project: Neighborhood Initiatives (City)
Funding: \$112,990
Funds Remaining: \$104,523
Page: 11

Project: YWCA Town Center (YWCA)
Funding: \$10,000
Funds Remaining: \$9,241
Page: 13

Project: Housing Imp. Program (Lyn-CAG)
Funding: \$150,000
Funds Remaining: \$148,720
Page: 11

Project: Rush Lifetime Homes of CVA
Funding: \$7,632
Funds Remaining: \$7,632
Page: 13

Project: Family Violence Prevention (YWCA)
Funding: \$17,808
Funds Remaining: \$11,741
Page: 11

Project: Enhancing Special Needs Housing (Miriam's House)
Funding: \$21,200
Funds Remaining: \$5,569
Page: 13

Project: College Hill Stabilization. (LRHA)
Funding: \$78,700
Funds Remaining: \$78,700
Page: 12

Project: Lynchburg Community Loan Fund
Funding: \$55,000
Funds Remaining: \$25,002
Page: 13

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTIVE PROJECT STATUS REPORT SUMMARY
AS OF JANUARY 31, 2004

Project: Seeds for Life Housing Rehab.
Funding: \$66,478
Funds Remaining: \$66,478
Page: 14

Project: Dance Theatre (Renovations)
Funding: \$30,000
Funds Remaining: \$30,000
Page: 14

Project: Amazement Square Programs
Funding: \$12,720
Funds Remaining: \$12,720
Page: 14

Project: Downtown Sign System
(Lynch's Landing)
Funding: \$31,510
Funds Remaining: \$31,510
Page: 15

HOME PROGRAM
ACTIVE PROJECT STATUS REPORT SUMMARY
AS OF JANUARY 31, 2004

2001-2002

Project: Housing Ownership Opportunity
Program (Lyn-CAG)
Funding: \$69,750
Funds Remaining: \$26,649
Page: 16

2002-2003

Project: Homeownership Fund (LNDF)
Funding: \$155,000
Funds Remaining: \$24,500
Page: 16

Project: Housing Ownership Opportunity
Program (Lyn-CAG)
Funding: \$69,600
Funds Remaining: \$69,600
Page: 17

Project: Building Program – Habitat
Funding: \$60,000
Funds Remaining: \$28,000
Page: 17

2003-2004

Project: HOME Admin. (City)
Funding: \$12,000
Funds Remaining: \$12,000
Page: 17

Project: HOME Admin. (LNDF)
Funding: \$34,400
Funds Remaining: \$21,202
Page: 18

Project: Homeownership Fund (LNDF)
Funding: \$170,000
Funds Remaining: \$134,757
Page: 18

Project: Housing Ownership Opportunity
Program (Lyn-CAG)
Funding: \$136,393
Funds Remaining: \$136,393
Page: 18

Project: Owner-Occupied Housing Rehab.
(Lyn-CAG)
Funding: \$95,000
Funds Remaining: \$81,042
Page: 18

Project: Affordable Homes for Adults with
Disabilities (RUSH Lifetime Homes, Inc.)
Funding: \$21,873
Funds Remaining: \$21,873
Page: 19

Project: Central City Homes (LNDF)
Funding: \$70,000
Funds Remaining: \$58,447
Page: 19

Project: Building Program – Habitat
Funding: \$60,000
Funds Remaining: \$60,000
Page: 19

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ACTIVE PROJECT STATUS REPORT
AS OF JANUARY 31, 2004

Key to Abbreviations

LNDF = Lynchburg Neighborhood Development Foundation, Inc.
LHF = Lynchburg Historical Foundation, Inc.
LRHA = Lynchburg Redevelopment and Housing Authority
Lyn-CAG = Lynchburg Community Action Group, Inc.
YWCA = Young Women's Christian Association
PY = Program Year
CDBG = Community Development Block Grant

Note:

Any project not listed was completed prior to January 31, 2004 or has been completed since February 1, 2004 and is in the process of being paid.

Project: Business Development Centre Revolving Loan Program (Business Development Centre)
Year: 1993-94
Funding: \$45,000
Loans to Date: \$95,250 (15 loans)
Funds Remaining: \$24,631

Purpose: Provides funds for the establishment of a revolving loan fund to assist micro enterprises (businesses with five or fewer employees, one or more of whom own the business) that do not have access to conventional financing. Target participants are low to moderate-income families, minorities and females.

Accomplishments: Since inception there have been 15 loans totaling \$95,250.

Comments: Council allocated an additional \$10,000 in PY2001-02 CDBG funds to continue this program. These funds have been expended for an additional loan. This program also receives support from the Small Business Administration and the State Department of Housing and Community Development.

Project: Neighborhood Initiatives (City)
Year: 1999-2000
Funding: \$186,000 (all four components)
Funds Remaining: \$1,225

Purpose: This project provides expanded neighborhood planning (Neighborhood Planner), code enforcement (two Housing Code Inspectors and support staff), funds for the wage personnel and related equipment to be used in conjunction with Inmate labor for weed ordinance enforcement, litter pick-up, and targeted neighborhood community improvements to support neighborhood-based projects.

Accomplishments: All phases of this project have been completed except for the remaining funds that are designated for targeted neighborhood community improvements. The Tinbridge Hill and Daniel's Hill neighborhood organizations are continuing their efforts to utilize these funds.

Comments: The remaining funds should be expended in Fiscal Year 2004.

Project: Repair Assistance Program for Historic Districts (LHF)
 Year: 1999-2000
 Funding: \$5,000
 Funds Remaining: \$4,091

Purpose: To provide grants for housing rehabilitation to low- and moderate-income residents of Lynchburg's historic districts. This project is designed to provide financial assistance to those who may not otherwise be able to afford rehabilitation according to historic district standards. The funds are matched dollar-for-dollar with private Historical Foundation funds.

Accomplishments: There are several projects underway.

Comments: LHF has increased the amount of each grant from \$1,000 to \$2,000. Therefore, the remaining funds should be expended in Fiscal Year 2004.

Project: Fifth Street Economic Development (City)
 Year: 1999-2000
 Funding: \$50,000
 Funds Remaining: \$18,494

Purpose: The funds for this project will be used to hire a consultant to develop a redevelopment plan that will be a public/private partnership for the Fifth Street corridor. This project will be completed in conjunction with LRHA's Fifth Street Revitalization Project.

Accomplishments: The consultant has completed the program scope for the redevelopment plan. The construction project is underway.

Comments: In February 2003 City Council authorized the reallocation of these funds for design services, gateway signs and landscaping projects along the Fifth Street corridor. These funds should be expended during Fiscal Year 2004.

Project: Repair Assistance Program for Historic Districts (LHF)
 Year: 2000-01
 Funding: \$5,000
 Funds Remaining: \$5,000

Purpose: To provide grants for housing rehabilitation to low- and moderate-income residents of Lynchburg's historic districts. This project is designed to provide financial assistance to those who may not otherwise be able to afford rehabilitation according to historic district standards. The funds are matched dollar-for-dollar with private Historical Foundation funds.

Accomplishments: There are projects that are currently under review for funding.

Comments: LHF has increased the amount of each grant from \$1,000 to \$2,000. Therefore, the remaining funds should be expended in Fiscal Year 2004.

Project: College Hill Acquisition Program (LRHA) (Project Amendment)
 Year: 2000-01
 Funding: \$102,764
 Funds Remaining: \$9,605

Purpose: Provide funds to LRHA for the acquisition of deteriorated residential properties within the boundaries of the College Hill Redevelopment and Conservation Area. All properties would be acquired within 12 months of beginning of acquisition process.

Accomplishments: Parcels have been acquired at 1207 Eighth Street, 1108 Eighth Street, 1000 Harrison Street, 612 Harrison Street and 605 Harrison Street. Miscellaneous acquisition costs have been expended.

Comments: In April 2003 City Council authorized the redirection of these funds for the stabilization of 1000 and 1002 Wise Street. LRHA is in the process of conveying 1002 Wise Street for rehabilitation. The stabilization of 1000 Wise Street is underway.

Project: Program Administration (City)
 Year: 2001-02
 Funding: \$67,000
 Funds Remaining: \$22,894

Purpose: To provide oversight and administration of the CDBG Program, and other related grants and community development projects.

Accomplishments: Administration is ongoing.

Comments: The remaining funds will be expended for administration of the active CDBG and HOME projects.

Project: Neighborhood Initiatives (City)
 Year: 2001-02
 Funding: \$203,390 (four components)
 Funds Remaining: \$12,548

Purpose: This project provides expanded neighborhood planning (Neighborhood Planner), code enforcement (two Housing Code Inspectors and support staff), funds for the wage personnel and related equipment to be used in conjunction with Inmate labor for weed ordinance enforcement, litter pick-up, and targeted neighborhood community improvements to support neighborhood-based projects.

Accomplishments: Administrative expenses have been incurred for this project.

Comments: This project is ongoing for the enforcement of the existing housing code, rental inspections, weed ordinance and abandoned vehicle program.

Project: College Hill Acquisition Program (LRHA) (Project Amendment)
 Year: 2001-02
 Funding: \$24,462
 Funds Remaining: \$23,444

Purpose: Provide funds to LRHA for the acquisition of deteriorated residential properties within the boundaries of the College Hill Redevelopment and Conservation Area. All properties would be acquired within 12 months of beginning of acquisition process.

Accomplishments: Miscellaneous acquisition costs have been expended.

Comments: In April 2003 City Council authorized the redirection of these funds for the stabilization of 1000 and 1002 Wise Street. The stabilization of 1000 Wise Street is underway.

Project: College Hill Acquisition Program (LRHA) (Project Amendment)
 Year: 2001-02
 Funding: \$32,719
 Funds Remaining: \$32,369

Purpose: Provide funds to LRHA for the acquisition of deteriorated residential properties within the boundaries of the College Hill Redevelopment and Conservation Area. All properties would be acquired within 12 months of beginning of acquisition process.

Accomplishments: None to date.

Comments: In December 2003 City Council authorized the redirection of these funds for the purchase of 317 Cabell Street. LRHA is proceeding with the acquisition of this property.

Project: Spot Blight Abatement/Acquisition
 Year: 2001-02
 Funding: \$147,880
 Funds Remaining: \$71,996

Purpose: These funds will allow LRHA to acquire deteriorated properties for rehabilitation and resale under Section 19.5 of the Code of Virginia. The fund will be used specifically for legal fees, appraisal services, court costs and acquisition.

Accomplishments: Properties have been purchased at: 2005 Grace Street, 2107 Bedford Avenue, and 316 Euclid Avenue.

Comments: The project is proceeding as planned.

Project: Hill City Future Stars Sports Program (Parks and Recreation Division)
 Year: 2001-02
 Funding: \$5,490
 Funds Remaining: \$3,549

Purpose: This program will allow children in inner city targeted neighborhoods to participate in sports activities throughout the summer. The camps and programs will be run in conjunction with the other recreation community center summer programs. The funds will be used to provide staff and scholarships for these programs.

Accomplishments: Staff costs have been incurred.

Comments: The Parks and Recreation Department has indicated that this project has been completed through the CDBG Program. These funds will be reprogrammed in Fiscal Year 2005.

Project: Rush Lifetime Homes of Central Virginia
 Year: 2001-02
 Funding: \$5,000
 Funds Remaining: \$2,973

Purpose: The program funds will be used to provide supportive services and operating expenses for the persons who reside in the Rush homes.

Accomplishments: A staff person has been hired and has begun to provide supportive service to the residents.

Comments: The project is proceeding as planned.

Project: Contingency Funds
 Year: 2001-02
 Funding: \$91,531
 Funds Remaining: \$42,333

Purpose: This contingency activity was established for activities that may exceed the budget for the respective activity, or for additional project requests that might occur during the program year.

Accomplishments: The funds have been expended for the following projects: (1) maintenance of acquired properties; (2) downtown design services; and (3) acquisition of 711-715 Fifth Street.

Comments: There has been \$15,000 earmarked for the acquisition of 702 Fifth Street from LNDF to LRHA. These funds will continue to be utilized for projects that incur cost overruns and are needed to complete the projects.

Project: Program Administration (City)
 Year: 2002-03
 Funding: \$62,000
 Funds Remaining: \$50,000

Purpose: To provide oversight and administration of the CDBG Program, and other related grants and community development projects.

Accomplishments: Administration is ongoing.

Comments: The funds will be expended for administration of the active CDBG and HOME projects.

Project: Maintenance of Properties/Disposition (LRHA)
 Year: 2002-03
 Funding: \$33,600
 Funds Remaining: \$462

Purpose: Funds will be used to assist with the costs to maintain the CDBG-acquired properties. As of December 31, 2003 there were 60 properties on the inventory list of CDBG-acquired properties.

Accomplishments: Expenses related to property maintenance have been incurred.

Comments: The project is proceeding as planned.

Project: Neighborhood Initiatives (City)
 Year: 2002-03
 Funding: \$182,000 (all four components)
 Funds Remaining: \$67,052

Purpose: This project provides expanded neighborhood planning (Neighborhood Planner), code enforcement (two Housing Code Inspectors and support staff), funds for the wage personnel and related equipment to be used in conjunction with Inmate labor for weed ordinance enforcement, litter pick-up, and targeted neighborhood community improvements to support neighborhood-based projects.

Accomplishments: Administrative expenses have been incurred for the components of this project.

Comments: This project is ongoing for the enforcement of the existing housing code, rental inspections, weed ordinance and abandoned vehicle program. The project is proceeding as planned.

Project: College Hill Acquisition Program (LRHA)
 Year: 2002-03
 Funding: \$85,090
 Funds Remaining: \$77,543

Purpose: Provide funds to LRHA for the acquisition of deteriorated residential properties within the boundaries of the College Hill Redevelopment and Conservation Area. All properties would be acquired within 12 months of beginning of acquisition process.

Accomplishments: There have been miscellaneous acquisition costs incurred.

Comments: The project is proceeding as planned.

Project: Legacy Museum of African American History (The Legacy Project)
 Year: 2002-03
 Funding: \$20,500
 Funds Remaining: \$4,865

Purpose: The funds for this project will be used to provide a financial resource to assist with the purchasing of resource and exhibit materials. The Museum is located at 403 Monroe Street.

Accomplishments: The Museum has purchased resource and exhibit materials.

Comments: The project is proceeding as planned. The remaining funds should be expended in Fiscal Year 2004.

Project: Spot Blight Abatement/Acquisition
 Year: 2002-03
 Funding: \$150,000
 Funds Remaining: \$150,000

Purpose: These funds will allow LRHA to acquire deteriorated properties for rehabilitation and resale under Section 19.5 of the Code of Virginia. The fund will be used specifically for legal fees, appraisal services, court costs and acquisition.

Accomplishments: None to date. The remaining Fiscal Year 2002 project funds will be expended prior to the use of these funds.

Comments: The project is proceeding as planned.

Project: Housing Stabilization Program (City)
 Year: 2002-03
 Funding: \$79,500
 Funds Remaining: \$60,430

Purpose: Provide funds for the clearance of blighted structures which are a threat to public safety, and which are beyond repair.

Accomplishments: The property at 2110 Main Street has been demolished. There have been disposal fees incurred for other properties that were demolished during Fiscal Year 2003.

Comments: The project is proceeding as planned.

Project: YWCA Town Center (YWCA)
Year: 2002-03
Funding: \$6,000
Funds Remaining: \$6,000

Purpose: The funds for this project will be used to assist with the building renovation costs at the Town Center located on Church Street.

Accomplishments: The YWCA is in the process of receiving bids for this project.

Comments: Project funds should be expended within Fiscal Year 2004.

Project: Rush Lifetime Homes of Central Virginia
Year: 2002-03
Funding: \$9,000
Funds Remaining: \$9,000

Purpose: The program funds will be used to provide supportive services and operating expenses for the persons who reside in the Rush homes.

Accomplishments: A staff person has been hired and has begun to provide supportive service to the residents.

Comments: The project is proceeding as planned. The project funds should be expended within Fiscal Year 2004.

Project: Lead Paint/Fifth Street Project
Year: 2002-03
Funding: \$40,402
Funds Remaining: \$18,166

Purpose: The program funds will be used to provide staff support for the development and submittal of the Lead-based Paint Hazard Control Grant for the continuation of the Lead Paint Program. Also, provide staff support to the Fifth Street Community Development Corporation (CDC) to assist with the development of an action plan and funding resources for the redevelopment of the Fifth Street area.

Accomplishments: This project is complete.

Comments: These funds will be reprogrammed in Fiscal Year 2005.

Project: Bedford Building Renovations (ARC of CVA)
Year: 2002-03
Funding: \$30,000
Funds Remaining: \$29,112

Purpose: The program funds will be used to assist with the renovation of the ARC of Central Virginia Development Center.

Accomplishments: None to date.

Comments: The agency has indicated that they will be completing Phase II of the Bedford Building renovation project in Fiscal Year 2004.

Project: Fellowship Community Outreach Center
 Year: 2002-03
 Funding: \$20,177
 Funds Remaining: \$18,478

Purpose: The program funds will be used for tutorial and program services at the Center. The Center provides family and youth development activities for inner city youth.

Accomplishments: One activity has been completed.

Comments: The project is proceeding as planned.

Project: Bethune Nursery School
 Year: 2002-03
 Funding: \$57,938
 Funds Remaining: \$6,427

Purpose: The program funds will be used to assist with building renovations at the facility located at 2249 Halifax Street.

Accomplishments: There have been new windows installed and painting completed at the facility. The building renovation project is 95% complete.

Comments: The project is proceeding as planned.

Project: Contingency Funds
 Year: 2002-03
 Funding: \$25,000
 Funds Remaining: \$25,000

Purpose: This contingency activity was established for activities that may exceed the budget for the respective activity, or for additional project requests that might occur during the program year.

Accomplishments: None to date.

Comments: The funds will be utilized as needed for the program activities.

NOTE: SUBRECIPIENT CONTRACTS FOR AGENCIES WERE COMPLETED FROM OCTOBER 2003 THROUGH JANUARY 2004. THEREFORE, SOME PROJECTS ARE IN THE IMPLEMENTATION PHASE AND OTHERS HAVE NOT BEGUN BUT ARE BEGINNING TO GET UNDERWAY AT THIS TIME.

Project: Program Administration (City)
 Year: 2003-04
 Funding: \$60,000
 Funds Remaining: \$53,314

Purpose: To provide oversight and administration of the CDBG Program, and other related grants and community development projects.

Accomplishments: Administration is ongoing.

Comments: The funds will be expended for administration of the active CDBG and HOME projects.

Project: Delivery Costs/Administration (LRHA)
 Year: 2003-04
 Funding: \$130,529
 Funds Remaining: \$129,978

Purpose: Provide funds for general program administration costs associated with the CDBG-funded activities at LRHA. Provide funds for staff costs associated with the acquisition and disposition of properties for the College Hill and Spot/Blight CDBG projects. Provide funds for LRHA's direct costs for rehabilitation loan servicing. LRHA will service approximately 24 loans during the program period.

Accomplishments: Payment of legal, accounting, auditing, insurance, central office, and maintenance and sundry office expenses. Delivery costs have been incurred for the acquisition and disposition of projects associated with the referenced projects. Delivery costs have been incurred for the servicing of the outstanding rehabilitation loans.

Comments: The project is proceeding as planned.

Project: Maintenance of Properties/Disposition (LRHA)
 Year: 2003-04
 Funding: \$51,510
 Funds Remaining: \$33,880

Purpose: Funds will be used to assist with the costs to maintain the CDBG-acquired properties. As of December 31, 2003 there were 60 properties on the inventory list of CDBG-acquired properties.

Accomplishments: Expenses related to property maintenance have been incurred.

Comments: The project is proceeding as planned.

Project: Neighborhood Initiatives (City)
 Year: 2003-04
 Funding: \$112,990 (four components)
 Funds Remaining: \$104,523

Purpose: This project provides expanded neighborhood planning (Neighborhood Planner), code enforcement (two Housing Code Inspectors and support staff), funds for the wage personnel and related equipment to be used in conjunction with Inmate labor for weed ordinance enforcement, litter pick-up, and targeted neighborhood community improvements to support neighborhood-based projects.

Accomplishments: Administrative expenses have been incurred for the four components of this project.

Comments: This project is ongoing for the enforcement of the existing housing code, rental inspections, weed ordinance and abandoned vehicle program. The project is proceeding as planned.

Project: Housing Improvement Program (Lyn-CAG)
 Year: 2003-04
 Funding: \$150,000
 Funds Remaining: \$148,720

Purpose: To provide housing rehabilitation grants to low-income citizens via emergency repairs and weatherization activities. Clients are also provided home maintenance counseling and notification of lead paint hazards.

Accomplishments: One housing rehabilitation project is underway.

Comments: The project is proceeding as planned.

Project: Family Violence Prevention (YWCA)
 Year: 2003-04
 Funding: \$17,808
 Funds Remaining: \$11,741

Purpose: Provides funds for the operation of the Family Violence Prevention Program including counseling and emergency shelter for women and children who, due to their circumstances, find themselves with little or no income.

Accomplishments: Administrative expenses have been incurred for the director's salary.

Comment: The project is proceeding as planned.

Project: College Hill Stabilization Program (LRHA)
 Year: 2003-04
 Funding: \$78,700
 Funds Remaining: \$78,700

Purpose: Provide funds to LRHA for the stabilization of previously-acquired residential properties within the boundaries of the College Hill Redevelopment and Conservation Area. The structures would be stabilized until disposition occurs.

Accomplishments: None to date.

Comments: LRHA has selected the properties for stabilization.

Project: Legacy Museum of African American History (The Legacy Project)
 Year: 2003-04
 Funding: \$11,448
 Funds Remaining: \$11,448

Purpose: The funds for this project will be used to provide a financial resource to assist with the purchasing of resource and exhibit materials. The Museum is located at 403 Monroe Street.

Accomplishments: None to date.

Comments: The remaining project funds from Fiscal Year 2003 will be expended prior to beginning of this project.

Project: Spot Blight Abatement/Acquisition
 Year: 2003-04
 Funding: \$160,475
 Funds Remaining: \$160,475

Purpose: These funds will allow LRHA to acquire deteriorated properties for rehabilitation and resale under Section 19.5 of the Code of Virginia. The fund will be used specifically for legal fees, appraisal services, court costs and acquisition.

Accomplishments: None to date.

Comments: The remaining project funds from Fiscal Years 2002 and 2003 will be expended prior to beginning of this project.

Project: Ways to Work Program (Alliance for Families and Children of Central Virginia, Inc.)
 Year: 2003-04
 Funding: \$25,440
 Funds Remaining: \$12,908

Purpose: This project will provide funds to Alliance for Family and Children of Central Virginia for associated staff costs for the Ways to Work Family Loan Program.

Accomplishments: Eight individuals have received loans.

Comments: The project is proceeding as planned.

Project: YWCA Town Center (YWCA)

Year: 2003-04

Funding: \$10,000

Funds Remaining: \$9,241

Purpose: The funds for this project will be used for building renovations at the Town Center located on Church Street.

Accomplishments: The YWCA is in the process of receiving bids for this project.

Comments: Project funds should be expended within Fiscal Year.

Project: Rush Lifetime Homes of Central Virginia

Year: 2003-04

Funding: \$7,632

Funds Remaining: \$7,632

Purpose: The program funds will be used to provide supportive services and operating expenses for the persons who reside in the Rush homes.

Accomplishments: A case manager has been hired and the first residents moved into a home.

Comments: The project is proceeding as planned.

Project: Enhancing Special Needs Housing (Miriam's House)

Year: 2003-04

Funding: \$21,200

Funds Remaining: \$5,569

Purpose: Miriam's House provides long-term rehabilitative transitional housing programs to homeless single women and women with children in the Lynchburg area. The funds will be used for operational support costs for providing the services to the residents of the facility.

Accomplishments: Support costs have been incurred for the program.

Comments: The project is proceeding as planned.

Project: Lynchburg Community Loan Fund (LNDF)

Year: 2003-04

Funding: \$55,000

Funds Remaining: \$25,002

Purpose: The program funds will be used to support the start-up costs of the organization and initiate

operations to include originating and servicing loans, delivering education and other development services to qualified applicants.

Accomplishments: Administrative costs have been incurred. Two loans have been issued since the inception of this project.

Comments: The remaining funds should be expended in Fiscal Year 2004.

Project: Seeds for Life Housing Rehabilitation

Year: 2003-04

Funding: \$66,478

Funds Remaining: \$66,478

Purpose: The program funds will be used to assist with Seeds for Life organization makes basic repairs to substandard housing for families without the means or physical health to perform the work themselves. Many times families are faced with eviction and/or removal of their children if the unsafe conditions are not corrected in a timely manner. Volunteers from local churches, colleges and civic organizations are used when feasible. At times the need arises for professional services to be procured. The CDBG funds will be used to pay for any home repairs that cannot be completed by the volunteers.

Accomplishments: None to date.

Comments: City staff is working with agency representatives to get this project underway.

Project: Dance Theatre (Building Renovations)

Year: 2003-04

Funding: \$30,000

Funds Remaining: \$30,000

Purpose: The CDBG funds will be used to continue the building renovations at 722 Commerce Street for the dance facility to provide the needed dance programs.

Accomplishments: Dance Theatre staff is in the process of soliciting bids for the renovation project.

Comments: The project is proceeding as planned.

Project: Amazement Square Program

Year: 2003-04

Funding: \$12,720

Funds Remaining: \$12,720

Purpose: The Outreach Program provides an after school program to enable children to learn the values of cultures through arts and crafts programs; and the community outreach program by encouraging community partnerships at the community center and other community groups. The CDBG funds will be used to provide educational materials and supplies for the outreach programs.

Accomplishments: None to date.

Comments: The project is underway at Amazement Square. The project is proceeding as planned.

Project: Downtown Sign System (Lynch's Landing)

Year: 2003-04

Funding: \$31,510

Funds Remaining: \$31,510

Purpose: Throughout the downtown and riverfront area there is a need for attractive and clear signage to direct persons coming into the downtown area. The funds will be used to purchase directional signs of architectural quality for a comprehensive way finding sign system for downtown.

Accomplishments: None to date.

Comments: City and Lynch's Landing staff have met with the sign company representative to develop signs and to begin the purchasing process. The project is proceeding as planned.

HOME PROGRAM
ACTIVE PROJECT STATUS REPORT
AS OF JANUARY 31, 2004

Key to Abbreviations

Lyn-CAG = Lynchburg Community Action Group, Inc.
LNDF = Lynchburg Neighborhood Development Foundation, Inc.
Rush = Rush Lifetime Homes, Inc.
Habitat = Greater Lynchburg Habitat for Humanity

Note:

Any project not listed was completed prior to January 31, 2004 or has been completed since February 1, 2004 and is in the process of being paid.

Project: Housing Ownership Opportunity Program (Lyn-CAG)
Year: 2001-02
Funding: \$69,750
Funds Remaining: \$26,649

Purpose: This project is a Community Housing Development Organization (CHDO) project. Lyn-CAG is a certified CHDO agency and receives the HOME funds to rehabilitate vacant houses for the purpose of home ownership over a two-year period.

Accomplishments: The rehabilitation of 46 Federal Street is underway.

Comments: The attached report from Lyn-CAG provides the project status for each of the CHDO activities that have been completed or are underway.

Project: Homeownership Fund (LNDF)
Year: 2002-03
Funding: \$155,000
Funds Remaining: \$24,500

Purpose: These funds will provide for the continuation of down payment assistance, closing and transaction costs, principal write-downs, interest write-downs, projects that exceed appraised value, add-ons that increase energy-efficiency and/or improve the facade to accommodate neighborhood architecture. While LNDF administers these funds, participating non-profit housing development organizations would be allowed to access a limited amount of funds to blend with current and future housing development funds in order to assist low and very low-income families and to increase home ownership in Lynchburg's Inner City.

Accomplishments: Thirteen projects have been completed providing home repairs, down payment and closing costs.

Comments: In November 2003 Council authorized the reprogramming of the remaining funds in this project to Rush Homes, College Hill Homes and Lynchburg Covenant Fellowship. The \$8,000 designated for Rush Homes has been provided to the agency.

Project: Housing Ownership Opportunity Program (Lyn-CAG)
 Year: 2002-03
 Funding: \$69,600
 Funds Remaining: \$69,600

Purpose: This project is a Community Housing Development Organization (CHDO) project. Lyn-CAG is a certified CHDO agency and receives the HOME funds to rehabilitate vacant houses for the purpose of home ownership over a two-year period.

Accomplishments: Lyn-CAG is in the process of purchasing a vacant property for rehabilitation.

Comments: The attached report from Lyn-CAG provides the project status for each of the CHDO activities that have been completed or are underway.

Project: Building Program/Site Development Infrastructure (Habitat)
 Year: 2002-03
 Funding: \$60,000
 Funds Remaining: \$28,000

Purpose: The funds for this project will be used for rehabilitation costs, site development and water/sewer connection fees for new homes in the Dearington, College Hill and Tinbridge Hill neighborhoods. The funds will also be used for the "In-fill" housing project.

Accomplishments: Assistance has been provided to six families.

Comments: Project is proceeding as planned.

NOTE: SUBRECIPIENT CONTRACTS FOR AGENCIES WERE COMPLETED FROM OCTOBER 2003 THROUGH JANUARY 2004. THEREFORE, SOME PROJECTS ARE IN THE IMPLEMENTATION PHASE AND OTHERS HAVE NOT BEGUN BUT ARE BEGINNING TO GET UNDERWAY AT THIS TIME.

Project: HOME Administration (City)
 Year: 2003-04
 Funding: \$12,000
 Funds Remaining: \$12,000

Purpose: This project will provide funds for personnel and administrative expenses associated with the HOME projects.

Accomplishments: No funds have been expended to date, however, administration is ongoing.

Comments: The funds from the previous program year will be expended prior to this activity beginning.

Project: HOME Administration (LNDF)
 Year: 2003-04
 Funding: \$34,400
 Funds Remaining: \$21,202

Purpose: This project will provide funds for personnel and administrative expenses associated with the HOME projects. LNDF will assist with the administration of the HOME entitlement funds for the City.

Accomplishments: Administrative expenses have been reimbursed.

Comments: The project is proceeding as planned.

Project: Homeownership Fund (LNDF)
 Year: 2003-04
 Funding: \$170,000
 Funds Remaining: \$134,757

Purpose: These funds will provide for the continuation of down payment assistance, closing and transaction costs, principal write-downs, interest write-downs, projects that exceed appraised value, add-ons that increase energy-efficiency and/or improve the facade to accommodate neighborhood architecture.

Accomplishments: Five home repair projects have been completed; four first-time homebuyers have been assisted with down payment and closing costs.

Comments: The project is proceeding as planned.

Project: Housing Ownership Opportunity Program (Lyn-CAG)
 Year: 2003-04
 Funding: \$136,393
 Funds Remaining: \$136,393

Purpose: This project is a Community Housing Development Organization (CHDO) project. Lyn-CAG is a certified CHDO agency and receives the HOME funds to rehabilitate vacant houses for the purpose of home ownership over a two-year period.

Accomplishments: None to date.

Comments: The attached report from Lyn-CAG provides the project status for each of the CHDO activities that have been completed or are underway.

Project: Owner-Occupied Housing Rehabilitation (Lyn-CAG)
 Year: 2003-04
 Funding: \$95,000
 Funds Remaining: \$81,042

Purpose: This project will provide funds for rehabilitation of substandard, owner-occupied housing.

Accomplishments: There are three rehabilitation projects underway.

Comments: The project is proceeding as planned.

Project: Affordable Homes for Adults with Disabilities (RUSH Lifetime Homes, Inc.)

Year: 2003-04

Funding: \$21,873

Funds Remaining: \$21,873

Purpose: Rush will use the program funds to develop/construct a handicap accessible single-family home for persons with disabilities.

Accomplishments: None to date.

Comments: Rush Homes staff is in the process of developing the plans for this project.

Project: Central City Homes (LNDF)

Year: 2003-04

Funding: \$70,000

Funds Remaining: \$58,447

Purpose: This project will provide funds for the acquisition and renovation of large houses located in Lynchburg's center city, for the purpose of creating attractive, affordable rental units for low and low-to-moderate income persons.

Accomplishments: Pre-development costs have been incurred.

Comments: Project is proceeding as planned.

Project: Building Program/Site Development Infrastructure (Habitat)

Year: 2003-04

Funding: \$60,000

Funds Remaining: \$60,000

Purpose: The funds for this project will be used for rehabilitation costs, site development and water/sewer connection fees for new homes in the Dearington, College Hill and Tinbridge Hill neighborhoods. The funds will also be used for the "In-fill" housing project.

Accomplishments: Houses are under construction.

Comments: The remaining project funds from Fiscal Year 2003 will be expended prior to beginning of this project. Project is proceeding as planned.

Lynchburg Community Action Group, Inc.

926 Commerce Street • Lynchburg • Virginia • 24504
ATTACHMENT 2

EXECUTIVE DIRECTOR
James H. Mundy

CHAIRMAN
L. A. Franklin

Education & Skills Training
Employment
Health
Housing and Homelessness
Housing Counseling
Neighborhoods
Transportation
Economic Development

SERVING CENTRAL VIRGINIA:

Head Start
Hand-Up Lodge
Emergency Assistance & Crisis Intervention
Emergency Food Bank
Project Discovery
Weatherization
Emergency Home Repair
Housing Rehabilitation
Indoor Plumbing Rehabilitation
Neighborhood Assistance Program
Home Ownership Opportunity Program
Housing Counseling
Community Development & Outreach
HOPWA
Family Living Center
LYNCIDA
- Individual Development Account
Homeownership Program
LYNC-CET
- "Central Virginia Works"
Education & Skills Training
Emergency Transportation Services
Virginia CARES
ACCESS
SHARE-HIP
- Homeless Intervention Program
Section 8 Rental Assistance



A United Way
of Central Virginia
Affiliate

January 20, 2004

Melva C. Walker, Administrative and Grants Manager
Department of Planning and Community Development
City Hall
Lynchburg, Virginia 24504

Dear Mrs. Walker:

I would like to take this opportunity to update you on the status of
HOME/CHDO activities by Lynchburg Community Action Group, Inc..

1. 95-96 HOME – 1212 16th Street – Sold to first time homebuyer.
\$72,000
2. 96-97 HOME – 1030 Florida Avenue – Sold to first time homebuyer.
\$56,000
3. 97-98 HOME – 1007 11th Street – Sold to first time homebuyer.
\$60,000
4. 98-99 HOME – 907 8th Street – Lease/Purchase agreement pending
sale to first time homebuyer. \$64,000
5. 99-2000, 2000-2001 – 1118 Polk Street – New construction complete
and sold to a first time homebuyer. \$65,000 - \$63,000
6. 2001-2002 HOME – 46 Federal Street – Purchase complete and
rehabilitation in progress \$69,750
7. 2002-2003 HOME – Site selection complete pending legal and
feasibility studies. \$69,600
8. 2003-2004 HOME – Pending location and feasibility studies.
\$136,393

Thank you for your consideration in this matter and if I may be of further assistance, please call.

Sincerely,

Thomas E. Daniel, Assistant Director

RECEIVED

FFB 6 2004
COMMUNITY DEVELOPMENT
& DEVELOPMENT

Tel: (434) 846-2778 e-mail: lyncagrec@mindspring.com www.lyncag.org Fax: (434) 846-2759

"Helping to Meet the Needs of People in Central Virginia"

ATTACHMENT 3



U.S. Department of Housing and Urban Development

Richmond Office
Community Planning and Development
600 Broad Street
Richmond, VA 23219

JAN 20 2004

Mr. L. Kimball Payne, III
City Manager
City of Lynchburg
900 Church Street
Lynchburg, VA 24505

RECEIVED

JAN 23 2004
COMMUNITY PLANNING
& DEVELOPMENT

Dear Mr. Payne:

This letter will serve as our annual assessment of the city's overall performance during the FY 2002 Consolidated Plan program year (July 1, 2002 through June 30, 2003) in the planning and implementation of HUD/CPD assisted activities. This report includes certain determinations in the areas of progress, accomplishments, beneficiaries, and compliance with statutory, regulatory and policy requirements.

The assessment is based on a review of the Comprehensive Annual Performance and Evaluation Report (CAPER) including the supplemental narratives, financial summary, and reports generated by the Integrated Disbursement and Information System (IDIS), and the review of the most recent Consolidated Plan and Action Plan.

A draft version of this assessment was provided to city program staff on November 14, 2003, for voluntary comments within a 30-day time period. The draft assessment identified some minor performance issues. The city's reply of December 12, 2003, successfully resolved the issues or indicated appropriate follow-up would be accomplished. As a result, this assessment is considered final and will be made available to the public upon request.

The city's performance report did a very good job of describing how its HUD funds were expended and what was accomplished. The format used by the city identified each priority as contained in the plan and provided information on the amount of CDBG and/or HOME funds that were expended and what was accomplished. The city also did a good job of relating its annual accomplishments to the five-year goals. Specifically, the city provided charts that reflected the numbers of completed projects in relation to the annual and five year goals for the various categories of projects. An analysis of the charts revealed that performance on an annual and five-year basis generally exceeded anticipated performance. In its reporting of accomplishments in the area of affordable

housing and poverty, the city included information on the income and demographics of the beneficiaries. Information on accomplishments was provided in the CAPER and in the IDIS reports. Selected IDIS reports were included as part of the city's CAPER submission. These reports are helpful in presenting detailed information regarding individual activity performance and accomplishments. However, the technical nature of the format tends to make public comprehension difficult and overwhelming. Consequently, efforts to summarize IDIS reported information for public understanding was recommended as part of last year's assessment. We are pleased to note that the city most successfully incorporated this suggestion as part of its FY 2002 CAPER. Thank you for your cooperation. Finally, we are pleased to inform you that the HUD financial analyst has recommended approval of the financial summary and LOCCS reconciliation.

The city reported on its efforts in the area of affirmatively furthering fair housing. Our Fair Housing Division reviewed this portion of the CAPER and recommended approval. However, it did indicate that the city should refrain from using the term "White/Black households," and record these individuals according to their race or ethnicity. Additionally, while the CAPER did provide evidence of an advertisement in a local newspaper soliciting minority-owned and women-owned businesses, the advertisement ran for only one day. The city should be more aggressive in its efforts to solicit minority-owned and women-owned businesses. Technical assistance in this area may be obtained by contacting R. Thomas Day, Sr., Program Manager, Office of Fair Housing and Equal Opportunity at (804) 771-2100, extension 3787.

A summary analysis of our reviews of your performance as related to the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs follows.

2002 CDBG FUNDS

During the FY 2002 program year, \$3,006,731 of CDBG funds was available to accomplish various community development activities that consisted primarily of public services, public facilities, housing rehabilitation, code enforcement, acquisition of real property, slums and blight abatement and economic development. The total amount available represented a \$491,624 increase from the previous period. This amount is influenced by the inclusion of program income that was received in the previous program year but not programmed; the program income that was estimated to be received during the course of the program year; and by returned funds from previously funded activities. Of the total amount available, \$1,693,745 (56 percent) was reported as expended. The total amount of CDBG funds reported as expended represents an increase (\$303,129 or 22 percent) from the \$1,390,616 of CDBG funds reported as expended in last year's report. The unexpended balance at the end of the reporting period is \$1,312,986. The unexpended balance for the previous reporting was \$1,124,491. The increase of \$188,495 should be noted as a negative trend from the prior period. A more detailed analysis of the unexpended balance for each program year is presented in conjunction with the reviews of IDIS Report C04PR02. Specific comments relating to the

performance of individual activities are provided in the following portions of this assessment. The city also addressed this matter in a very comprehensive manner in its report. The status of the unexpended balance is very important because it directly affects compliance with the statutory requirement that funds be expended in a timely manner.

Regarding program specific threshold requirements, the following determinations were made.

- **Administrative and Planning Cap:** The city is in compliance with the 20 percent limitation imposed on these types of expenditures. Approximately 18 percent was expended for program administration and planning (last year approximately 10 percent was reported as being expended for this category).
- **Public Service Cap:** The city is in compliance with the 15 percent limitation imposed on expenditures under this category of activity. The city reported public service expenditures of 6 percent (last year the percentage was approximately 8 percent).
- **Overall 70 percent L/M Benefit:** The city has selected a one-year certification period. The percentage of L/M benefit for this year as computed by the city is 93.23 percent. This is a significant increase from the 77.75 percent reported last year. The city is in compliance with this requirement.
- **Timely Expenditure of Funds:** In accordance with 24 CFR 570.902, sixty days prior to the end of its program year, the amount of undisbursed CDBG funds should not be more than 1.5 times the program year grant amount. Our application of this test determined the city to be in compliance with this requirement with a balance of 1.46 percent. This test will again be applied in April 2004 for application of the FY 2004 funds. Efforts to monitor the spending rates of individual activities are essential to achieving and maintaining strong performance in this area.

A comparison of certain key financial indicators contained in the Financial Summary Reports for this and the previous reporting period were analyzed. The comparison revealed the following:

The total amount of CDBG expenditures increased by 22 percent; however, the unexpended balance of CDBG funds increased by 17 percent. As previously mentioned, the increase in the unexpended balance represents a negative trend. Continued actions to review the progress in the respective areas are encouraged in order to further enhance overall performance. As previously mentioned, other areas of this assessment will focus on individual performance.

A detailed analysis was made of the performance (expenditures and accomplishments) for the projects and activities reported in IDIS. The results are presented below according to IDIS report number.

IDIS Report C04PR01, Grants and Program Income

A review of this report noted that a small portion of the FY 2002 funds have not been committed. According to the report, \$161,979 (15 percent of the total) is available to commit. The city is aware of the situation and it is addressed in the text of the report. The city has stated that the situation would be reviewed in conjunction with the preparation of the FY 2004 Action Plan. This course of action is acceptable and represents efficient administration of program funds.

IDIS Report C04PR02, List Of Activities By program Year and Project

A separate report for grant years FY 1998 through FY 2002 was downloaded and reviewed by the city and HUD. The purpose of the review was to analyze the unexpended balance and the status of the various activities contained in the report. The funded amount can exceed the grant as a result of program income and the reprogramming of funds from prior years. The results are as follows.

Grant Year	Unexpended Balance As of 6/30/2002	Unexpended Balance As of 6/30/2003
FY 2001	\$519,114	\$280,534
FY 2000	\$40,629	\$15,802
FY 1999	\$121,607	\$53,033
FY 1998	\$79,733	\$69,467
Total	\$761,083	\$418,836

The report format identifies the completion status for each activity and provides information regarding the funded amount, drawdowns and balance. A review of the report is helpful in identifying the activities that may require additional attention in order to improve expenditures and activity completion. As demonstrated in the above chart, the city has made considerable progress in reducing the individual and overall balances. The overall unexpended balance was reduced by \$342,247 this reporting period. This translates to a 45 percent improvement. The city's efforts in improving the situation are acknowledged.

IDIS Report C04PR03, CDBG Activity Summary Report

The review of this report identified a number of activities that had not expended any funds or have a balance of funds to expend. The city's narratives provided additional information that addressed the respective activity balances. Notwithstanding, this review is important because it reinforces the comments related to the timeliness test and unexpended balance. The specific activities were identified in the report by the city. The city also provided a detailed analysis of the situation.

The above review identified a total of 10 pre FY 2001 activities that have a combined unexpended balance of \$138,302. The review of last year's report noted a total of 16 pre FY 2000 activities that had an unexpended balance of \$308,311. A comparison of the two reports notes considerable progress by the city in reducing the balance. Additionally, the city has reported that the unexpended balance has been reduced by \$50,000 after the close of the reporting period. We therefore concur with the city's assessment that significant progress in this area is being made.

IDIS Report C04PR06, Summary of Consolidated Plan Projects

The review of this report identified acceptable performance regarding the commitment or expenditure of funds. However, several instances of the committed amount exceeding the project estimate were noted, and several projects had very small balances (less than one dollar). A marked copy of the report was provided with the draft assessment. It is recommended that the small balances be drawn and the final figure rounded in order for the committed and expended amounts to equal the project estimate. The city's reply stated that it was aware of the situation and would seek assistance from the HUD Technical Assistance Unit.

Real Property Inventory

The review of the real property inventory as contained in the report revealed the following.

- The inventory contained 79 parcels organized in chronological order according to acquisition date.
- The inventory reported the sale of 21 parcels, thus leaving 58 parcels available for sale.
- Regarding the disposition of the 21 parcels noted above, 12 parcels generated program income in the amount \$7,601. These parcels and the corresponding sales amounts were listed in the attachment to the financial summary.
- The status of parcel 244-10-012, 7120 Meadowbrook Road could not be confirmed. Consequently, the draft assessment requested that the city inform us of the status of this property. The city informed us that the housing authority was having difficulty acquiring the property. We therefore recommend that program funds be returned and only drawn when a closing is close at hand.

Other

Information contained in the CAPER and the IDIS reports will continue to be used to further analyze program performance on a project/activity basis throughout the year.

Our Fair Housing and Equal Opportunity (FHEO) division recommended approval, but made recommendations regarding reporting and the solicitation of minority-owned and women-owned businesses. The city responded in a positive manner.

Regarding the city's Section 108 Loan Guarantee application, on July 30, 2003, HUD transmitted copies of the executed contract number B-00-MC-51-0014 in the amount of \$3,200,000, and the Economic Development Initiative Grant Agreement number B-00-ED-51-0015 in the amount of \$800,000. Additionally, on October 8, 2003, approval to pay pre-award costs of \$947,063 was authorized by this office.

2002 HOME FUNDS

The HOME program portion of the city's CAPER was reviewed and found to be complete for the required submissions. Regarding program performance as related to fund management, of the total funding to-date, excluding the recently awarded 2003 funds, approximately 52 percent of the FY 2002 funds have either been suballocated or committed to activities and approximately 6 percent (\$26,748) of the FY 2002 funds have been disbursed. This includes the fact that the city is also in compliance with the minimum set-a-side for CHDO activities. Accordingly, the city is timely in its overall management of its HOME program funds.

A detailed analysis was made of the performance (expenditures and accomplishments) of the HOME projects as reported in IDIS. The results are presented below according to the IDIS report number.

IDIS Report C04PR06, Summary of Consolidated Plan Projects

Please refer to the comments contained in the CDBG section of this assessment.

IDIS Report C04PR22, Status of HOME Activities

An analysis of this report confirmed the following accomplishments as reported by the city for this reporting period. The number of HOME projects committed according to activity type measures the accomplishments. The corresponding dollars committed are also included. A significant improvement in the timely entry of completion information was also noted.

New Construction: No new projects reported.

Rehabilitation: During this period, fifteen projects resulted in the commitment of \$44,579 in HOME funds. Last year thirty-four new projects resulted in the commitment of \$320,428 in HOME funds during the reporting period.

Acquisition Only: The city reported nine new projects that committed \$35,762 of HOME funds for this category of assistance. The report for last year reported fourteen projects that committed, \$50,733.

Acquisition and Rehabilitation: No new projects were reported. Last year the city reported two new projects that committed \$160,352 of HOME funds for this category of assistance

Acquisition and New Construction: No new projects were reported. Last year's report contained eight new projects that committed \$56,389 of HOME funds for this category of assistance.

IDIS Report C04PR25, Status of CHDO Funds

With the exception of the FY 1994 and FY 1995 funds provided to the Diamond Hill Neighborhood CHDO, the review of this report noted satisfactory progress with respect to the reservation, commitment, and disbursement of CHDO funds. Specifically, this CHDO has failed to commit and expend all of the HOME funds that have been reserved. The city was requested to review this situation in greater detail and consider recommitting the balance of these funds to another CHDO. The city replied by stating that the funds in question would be reallocated in conjunction with the FY 2004 Action Plan.

In accordance with program regulation, the city must reserve no less than 15 percent of its annual HOME allocation for housing that is developed, sponsored, or owned by a CHDO. A review of the HOME funds provided from FY 1994 through FY 2002 disclosed that of the \$3,788,000 of available HOME funds, the city reserved \$835,954 for CHDO projects. This dollar amount is equal to approximately 22 percent of the total. As a result, the city is in compliance with the requirement.

HOME Match Report, Form HUD-40107-A

The city is in compliance with the matching requirements of the HOME program. It should also be noted that as a result of the program's criteria related to distress, the city match is reduced by 50 percent.

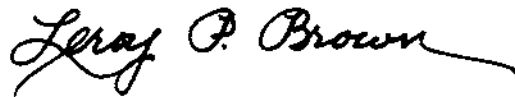
Overall Evaluation

HUD has determined that the overall progress and performance in the administration of the HUD-assisted programs is satisfactory. This determination is based on our review and approval of the 2003 CDBG Action Plan, the 2002 CAPER, the FY 2000-2005 Consolidated Plan, and all other information available to this office at this point in time, and does not reflect a comprehensive evaluation of specific activities with the exception of those noted in our monitoring reports and CAPER review.

Finally, detailed information on the budget and various HUD programs and initiatives can be found on our Web Page at www.hud.gov.

Should you have any questions, please call me at 771-2100, extension 3766, or if you prefer, Ms. Mary Ann Wilson, Field Office Director, can be reached at extension 3736. Staff requiring technical assistance should contact Mr. Carmen Bucci, Public Trust Specialist, at extension 3767.

Sincerely,

A handwritten signature in black ink that reads "Leroy P. Brown". The signature is fluid and cursive, with a long horizontal stroke at the end.

Leroy Brown
Program Manager

Copy:

Melva C. Walker, Administrative and Grants Coordinator